Secty. II-27—100,000—31-5-4

Year (1951) Department.

(Letter) A/S SERIES.

G.O. No. 3088

Dated 5-7-1957

[Despatch Abstract.]

Labour - Employees State Insurance Act 1948 (Amendment) Bill 1957

Copy of letter No.SS.131(6) dated 30th March 1951 From the Shri K.N. Nambiar, Under Secretary to Government of India, To (1) All the State Governments (2) the All India Organisations of Employers and Employees and Medical Associations.

Sub:- Employees' State Insurance (Amendment) Bill, 1951.

I am directed to forward herewith a copy (with a spare copy) of the Employees' State Insurance (Amendment) Bill, 1951, as introduced in Parliament. The Statement of Objects and Reasons explains the necessity for the amendment. The bill is being published in the Gazette of India, Part II Section 2. Copies of the Bill will seen be available with the Manager of Publications, Civil Lines, Delhi, from whom extra copies, if any required, may be obtained.

Sd.xx
(K.N.Nambiar).
Under Secretary to the Government of India.

/True copy/

SS/24.9.

24-9-1956

GOVERNMENT OF MADRAS
DEVELOPMENT DEPARTMENT.
ABSTRACT.
**

Letter No.Ms.3088. Dated: 5--7--1951.

From

The Secretary to Government of Madras,
Development Department, Madras - 9.

To

The Secretary to Government of India,
Ministry of Labour, New Delhi.

Sir,

Sub:- Labour - Employees' State Insurance (Amendment) Bill 1951.

Ref:- Letter from Sri K.N.Nambiar, No.S.8.131(6) dated 30.3.1951.

I am directed to invite a reference to the proposed amending legislation and to state that in connection with the implementation of the provisions of the medical benefits under the Employees' State Insurance Act, 1948 this Government have intimated the Employees' State Insurance Corporation that all preliminary points like sharing of expenditure, etc., contemplated in the Act have to be settled first and even then it would require a minimum period of over 15 months from the date on which terms and conditions are settled finally to implement the scheme in a limited area. Copy of the letter is enclosed for reference. The corporation has not yet replied to this and in any case it is not possible to contemplate implementation in respect of the several benefits without settling first all the preliminaries and examining the financial implications in all its bearing which will take some time. This Government are of the view that without implementing the Act in this State and providing the necessary benefits to the employees, it is not necessary for the employers in this State, including the State Government, (in their capacity as owners of various Government factories) to pay any contribution to the Corporation. If the corporation desires to implement the Act in one or two areas it is fair and equitable that the employers in those areas alone are called upon to pay the contribution; if the Corporation wants to avoid any difficulties and anamolies the proper course is to implement the Act simultaneously in all the States. This Government consider that the argument that the cost of production is likely to increase and the competetive capacity is likely to be lowered in those areas depends on the alleged benefits of the legislature to create a contented and healthy employee who received the social benefits and gives the employer a better outturn of work and more profits and that in any event it cannot be an argument for employers in other areas to be called upon to pay a contribution. I am therefore directed to state that the Government of Madras are strongly against the proposed legislation. This Government also consider that such schemes forgets that the consumer pays the bill and that if factory workers alone are favoured there is discrimination against 98% of the population which does not work in factories and that inflation may arise from constant increase in prices.

2. I am also directed to point out in this connection that a convention has already been established between the Government of India and the Governments in Part A States that there should be

P.T.O.

mutual consultation with regard to legislation in the Concurrent field. The subject 'Social Insurance' is a subject included in the concurrent list of the Constitution of India; but the Government of India have not consulted this Government on the provisions of the amending Bill ~~R~~1 before it was introduced in the parliament.

/By Order etc./

Sd.xx
Secretary to Government.

Copy to the Health Department.

/True copy/

R. Nagarajan 16.10.56
SUPERINTENDENT.
MADRAS RECORD OFFICE.

SS/27.9.

27.9.1956